IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF TEXAS MARSHALL DIVISION

SMARTDISK CORPORATION,

Plaintiff

VS.

ARCHOS S.A. and ARCHOS INC.,

Defendant.

Civil Action No.: 2-05 CV-101-TJW

Before: Hon. T. John Ward

PLAINTIFF'S REPLY TO ARCHOS S.A. AND ARCHOS INC.'S COUNTERCLAIM

Plaintiff SmartDisk Corporation hereby responds to each paragraph comprising the counterclaim of Archos S.A. and Archos Inc., as follows:

- 1. SmartDisk admits this Court has jurisdiction over Archos' counterclaim.
- 2. SmartDisk admits venue is proper.
- SmartDisk is unable to admit or deny Archos S.A.'s place of incorporation and principal place of business.
- 4. SmartDisk is unable to admit or deny Archos, Inc.'s state of incorporation and principal place of business.
- 5. Admitted.
- 6. Admitted.
- 7. Admitted.
- 8. Denied.
- 9. Denied.
- 10. Denied.
- 11. Denied.

12. Denied.

Respectfully submitted,

DATED: March 1, 2006

<u>/s/ Sam Baxter</u> Sam Baxter, Lead Attorney

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served on all counsel, pursuant to the Federal Rules of Civil Procedure on March 1, 2006.

/s/ Sam Baxter	

Sam Baxter